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ASX Release – 20 October 2009

PURCHASE OF LAKE CHANDLER POTASH PROJECT WITH SCOPING STUDY TO BE COMPLETED BY END OF 2009

ActivEX (ASX:AIV) is pleased to announce that it has exercised its Option to Purchase the Lake Chandler Potash Project near Merredin, Western Australia by agreeing to issue 8.5 million fully paid AIV ordinary shares to the vendors. The issue of the shares is subject to shareholder approval which will be sought at the Company's Annual General Meeting in November 2009.

Lake Chandler Potash Project

The project consists of a granted Mining Lease 45km north of the Western Australian wheat-belt town of Merredin, 300km east of Perth has been purchased from Michael Ruane and R C Sadleir Pty Ltd.

Since acquiring the Option to Purchase the mining lease, ActivEX has re-processed drilling results from previous campaigns and achieved a maiden JORC resource for the project. The Company has also carried out initial market studies and extensive bench scale testing covering aspects of washing, settling and slurrying of the ore, the ammonia leach process, recycling of ammonia and crystallisation parameters.

More recently, the Company has embarked on the search for potential water supplies and sources, environmental studies in the form of invertebrate and vegetation studies, and a review of cultural heritage aspects of the project. In addition, the Company has commenced discussions with State environmental authorities, local councils and local businesses. These studies and discussions have been held with a view to identifying any potential impediments to development and also identifying key hurdles in the associated permitting process. The Company has embarked on a scoping study of the project, which will be completed before year end.

Outcomes from key aspects of this research completed to date have given ActivEX the confidence that the project will be viable in some form and that the Option to Purchase should therefore be exercised.

The key aspects of Lake Chandler are:

Potash Resource

On 29 January 2009 the Company announced its maiden JORC compliant Resource for the Lake Chandler Potash Project. Although this resource is in the Inferred category it will take limited confirmatory and infill drilling to upgrade to Measured status and the Company is confident this upgrade is a low risk. The Inferred Resource gives a 20 to 30 year mine life at the proposed rates of mining and as such gives the project a potentially

long life capable of outliving individual financial cycles and thereby lowering economic risk.

Potash Processing Options

ActivEX is reviewing mining and treatment options for the deposit and production rates of 150,000 to 300,000 tonnes per annum are being considered. Several processing options have been considered and the Company is actively progressing research on the project utilising an ammonia pressure leach process. Important factors that have influenced this direction are the improvement in leach technology, the excellent marketability of the products and the likely lower capital and operating costs.

Although the pressure leach process has not been applied to potash ores in recent times considerable advances in the technology have been made through its application to other ores, particularly in relation to nickel extraction in WA.

Considerable test work using this method of extraction at Lake Chandler has been undertaken over the last 15 years. This work has been collated and ActivEX has carried out a series of staged tests to optimise the ammonia leach process. The tests indicate that slurries of Lake Chandler flocculate and settle well in a CCD circuit with commercially available flocculants thereby allowing removal of the soluble salts with a reasonable water consumption.

Initial leach tests conducted on alunite samples from Lake Chandler indicate that approximately 90% of the potash in Lake Chandler can be successfully dissolved under relatively mild conditions (approximately 60 minutes leach time at 160°C and 1000-2000kPa) using ammonia as the leachant in a standard autoclave system.

The process is elegant in that the soluble components resulting from the leach process are potassium sulphate (SOP) and ammonium sulphate (SOA), both of which are valuable fertiliser components. These products can then be sold separately or a fertiliser blend of the two (SOP + SOA) can be simply prepared and could be marketed directly by the Company.

Water usage and supply has been identified as critical to the project and research is being carried out to identify potential sources of underground water. Allowance has been made for treatment of this water (likely to be saline) through a reverse osmosis (RO) plant to upgrade it to process quality requirements. Other sources of water from the district and from the Goldfields pipeline are also being considered.

Fertiliser Market Studies

Likely products from this processing route will be fertiliser products potash and ammonium sulphate with a possible by-product of high grade aluminium trihydrate.

ActivEX has completed an initial market review of the fertiliser industry in Australia. The review shows that the products from Lake Chandler should be acceptable and highly desired by the Australian market, which currently relies completely on imports of potash, principally from Canada, Taiwan and Germany.

The initial market review also shows that potassium sulphate (SOP), demands a significant premium to the more readily available potassium chloride (MOP). SOP should be better suited to Australian soil conditions where high salinities prevail and the Company believes

that once it has established reliable local production it should be able to substitute SOP into the chloride market.

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The information in this report is based on information compiled by Mr D. I. Young, who is a Fellow of the Australian Institute of Geoscientists and a full time employee of ActivEX Limited. Mr Young has sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and the activities which he is undertaking to qualify as a Competent Person as defined by the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Young consents to the inclusion of his name in this report and to the issue of this report in the form and context in which it appears.